



DEPARTMENT OF COMMERCE

International Trade Administration

[C-489-502]

Circular Welded Carbon Steel Pipes and Tubes from the Republic of Turkey: Preliminary Results of Countervailing Duty Administrative Review and Intent to Rescind the Review, in Part; Calendar Year 2019

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) preliminarily determines that exporters/producers of circular welded carbon steel pipes and tubes from the Republic of Turkey (Turkey) received countervailable subsidies during the period of review (POR), January 1, 2019, through December 31, 2019.

DATES: Applicable [Insert date of publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: Jolanta Lawska, AD/CVD Operations, Office III, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-8362.

SUPPLEMENTARY INFORMATION:

Background

On March 7, 1986, Commerce published in the *Federal Register* the countervailing duty order on circular welded carbon steel pipes and tubes from Turkey.¹ On May 6, 2020, Commerce published a notice of initiation of an administrative review of the *Order* covering 37

¹ See *Countervailing Duty Order; Certain Welded Carbon Steel Pipe and Tube Products from Turkey*, 51 FR 7984 (March 7, 1986) (*Order*).

companies.² On June 2, 2020, Commerce selected the Borusan Companies³ as the sole mandatory respondent for individual examination in this administrative review.⁴ On July 21, 2020, Commerce tolled all deadlines in administrative reviews by 60 days.⁵ On December 7, 2020, Commerce extended the due date of the preliminary results of this administrative review until May 28, 2021.⁶

For a complete description of the events that followed the initiation of this review, *see* the Preliminary Decision Memorandum.⁷ A list of topics discussed in the Preliminary Decision Memorandum is included in the appendix to this notice. The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>.

Scope of the Order

The merchandise covered by the *Order* is circular welded carbon steel pipes and tubes from Turkey. For a complete description of the scope of the *Order*, *see* the Preliminary Decision Memorandum.

Methodology

² *See Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 85 FR 26931 (May 6, 2020) (*Initiation*).

³ The Borusan Companies are Borusan Holding A.S. (also referred to as Borusan Holding), Borusan Mannesmann Boru Yatirim Holding (BMBY), Borusan Mannesmann Boru Sanayi ve Ticaret A.S. (Borusan), and Borusan Istikbal Ticaret T.A.S. (Borusan Istikbal).

⁴ *See* Memorandum, "Selection of Respondents for Individual Examination," dated June 2, 2020 (Respondent Selection Memorandum).

⁵ *See* Memorandum, "Tolling of Deadlines for Antidumping and Countervailing Duty Administrative Reviews," dated July 21, 2020.

⁶ *See* Memorandum, "Circular Welded Carbon Steel Pipes and Tubes from Turkey: Extension of Deadline for Preliminary Results of Countervailing Duty Administrative Review," dated December 7, 2020.

⁷ *See* Memorandum, "Decision Memorandum for the Preliminary Results of the Countervailing Duty Administrative Review: Certain Welded Carbon Steel Pipe and Tube Products from the Republic of Turkey; 2019," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

Commerce is conducting this review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). For each of the subsidy programs found to be countervailable, we preliminarily determine that there is a subsidy, *i.e.*, a financial contribution by an “authority” that confers a benefit to the recipient, and that the subsidy is specific.⁸ For a full description of the methodology underlying our conclusions, *see* the accompanying Preliminary Decision Memorandum.

Intent to Rescind Administrative Review, in Part

On May 11, 2020, Erbosan Erciyas Boru Sanayi ve Ticaret A.S. (Erbosan) timely filed a no-shipments certification.⁹ On May 18, 2020, Toscelik Profil ve Sac Endustrisi A.S., Tosyali Dis Ticaret A.S., and Toscelik Metal Ticaret A.S. (collectively, the Toscelik Companies), timely submitted a no-shipments certification.¹⁰ On May 20, 2020, Cayirova Boru Sanayi ve Ticaret A.S., Yucel Boru ve Profil Endustrisi A.S. and Yucelboru Ihracat Ithalat ve Pazarlama A.S. (collectively, the Yucel Companies) timely filed a no-shipments certification.¹¹ On June 15, 2020, Cinar Boru Profil Sanayi ve Ticaret Anonim Sirketi (Cinar Boru) submitted a claim of no shipment.¹² Based on information received from U.S. Customs and Border Protection (CBP),¹³ as well as CBP’s responses to our further inquiries,¹⁴ we intend to rescind the administrative review with regard to Toscelik Companies, the Yucel Companies, and Cinar Boru in accordance

⁸ See sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

⁹ See Erbosan’s Letter, “No Shipment Certification of Erbosan Erciyas Boru Sanayi ve Ticaret A.S. (Erbosan) in the 2019 Administrative Review of the Countervailing Duty Order Involving Certain Welded Carbon Steel Standard Pipe from Turkey,” dated May 11, 2020.

¹⁰ See Toscelik Companies’ Letter, “Circular Welded Carbon Steel Pipe from Turkey; Toscelik No Shipments Letter,” dated May 18, 2020.

¹¹ See Yucel Companies’ Letter, “Circular Welded Carbon Steel Pipe from Turkey; Yucel No Shipments Letter,” dated May 20, 2020.

¹² See Cinar Boru’s Letter, “Circular Welded Carbon Steel Pipes and Tubes from Turkey (C-489-502),” dated June 15, 2020.

¹³ See Memorandum, “Results of Customs and Border Protection Query Results,” dated May 11, 2020 (CBP Query Memorandum).

¹⁴ See Memorandum, “Circular Welded Carbon Steel Pipes and Tubes from the Republic of Turkey (C-489-502): Cinar Boru,” dated July 9, 2020; Memorandum, “Circular Welded Carbon Steel Pipes and Tubes from the Republic of Turkey (C-489-502): Certain Borusan Companies,” dated July 9, 2020; and Memorandum, “Circular Welded Carbon Steel Pipes and Tubes from the Republic of Turkey (C-489-502): Yucel Companies and Toscelik Companies,” dated September 15, 2020. We collectively refer to these memoranda as the No Shipment Memoranda for Various Companies.

with 19 CFR 351.213(d)(3) in the final results of review.

Additionally, on June 8, 2020, the Borusan Companies submitted a letter to Commerce timely certifying that Borusan Istikbal, Borusan Birlesik Boru Fabrikalari San ve Tic. (Borusan Fabrikalari), Borusan Gemlik Boru Tesisleri A.S. (Borusan Gemlik), Borusan Ihracat Ithalat ve Dagitim A.S. (Borusan Dagitim), Tubeco Pipe and Steel Corporation (Tubeco), and Borusan Lojistik Dagitim Depolama Tasimacilik ve Ticaret A.S. (Borusan Lojistik) had no entries, exports, or sales of subject merchandise during the POR.¹⁵ Based on information from CBP, we intend to rescind the administrative review with regard to Borusan Fabrikalari, Borusan Gemlik, Borusan Dagitim, Tubeco, and Borusan Lojistik in accordance with 19 CFR 351.213(d)(3).¹⁶ We do not intend to rescind the review for Istikbal, because we preliminarily determine that it is part of the cross-owned entity referred to as the Borusan Companies, the mandatory respondent in this review.

Regarding Erbosan, the results of the query Commerce performed on the trade database maintained by CBP indicated that shipments produced and/or exported by Erbosan entered the United States during the POR.¹⁷ Consistent with Commerce's findings in the Respondent Selection Memorandum,¹⁸ we preliminarily determine that subject merchandise produced and/or exported by Erbosan entered the United States during the POR,. Therefore, we are not rescinding the review with regard to Erbosan.

Preliminary Results of the Review

In accordance with section 751(a)(1)(A) of the Act and 19 CFR 351.221(b)(4), for the period January 1, 2019, through December 31, 2019, we determine that the net subsidy rates for the producers/exporters under review to be as follows:

Company	Net Subsidy Rate (percent)
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¹⁵ See Borusan Companies' Letter, "Circular Welded Carbon Steel Pines and Tubes from Turkey. Case No. C-489-502: No Shipment Letter," dated June 5, 2020.

¹⁶ See No Shipment Memoranda for Various Companies.

¹⁷ See CBP Query Memorandum.

¹⁸ See Respondent Selection Memorandum at 5.

Borusan Holding A.S., Borusan Mannesmann Boru Yatirim Holding, Borusan Mannesmann Boru Sanayi ve Ticaret A.S., and Borusan Istikbal Ticaret T.A.S. (collectively, the Borusan Companies)	0.83
Borusan Mannesmann	0.83
Borusan Ithicat ve Dagitim A.S.	0.83
Borusan Mannesmann Pipe US, Inc.	0.83
Cagil Makina Sanayi ve Ticaret A.S.	0.83
Cimtas Boru Imalatları ve Ticaret Sirketi	0.83
Eksen Makina	0.83
Erbosan Erciyas Boru Sanayi ve Ticaret A.S.	0.83
Guner Eksport	0.83
Guyen Celik Boru San. Ve Tic. Ltd. (also known as Guven Steel Pipe)	0.83
HDM Celik Boru Sanayi ve Ticaret Ltd. Sti.	0.83
Kale Baglanti Teknolojileri San ve Tic. A.S.	0.83
Kalibre Boru Sanayi ve Ticaret A.S.	0.83
MTS Lojistik ve Tasimacilik Hizmetleri TIC A.S. Istanbul	0.83
Net Boru Sanayi ve Dis Ticaret Koll. Sti.	0.83
Noksel Celik Boru Sanayi A.S.	0.83
Perfektup Ambalaj San. ve Tic. A.S.	0.83
Schenker Arkas Nakliyat ve Ticaret A.S.	0.83
Umran Celik Boru Sanayii A.S. (also known as Umran Steel Pipe Inc.)	0.83
Vespro Muhendislik Mimarlik Danismanlik Sanayi ve Ticaret A.S.	0.83

Assessment Rates

Consistent with section 751(a)(2)(C) of the Act and 19 CFR 351.212(b)(2), upon issuance of the final results, Commerce shall determine, and CBP shall assess, countervailing duties on all appropriate entries covered by this review. For the companies for which we intend to rescind

this review, upon issuance of the final rescission, Commerce will instruct CBP to assess countervailing duties on all appropriate entries at a rate equal to the cash deposit of estimated countervailing duties required at the time of entry, or withdrawal from warehouse, for consumption, during the period January 1, 2019, through December 31, 2019, in accordance with 19 CFR 351.212(c)(1)(i). Commerce intends to issue assessment instructions to CBP no earlier than 35 days after the date of publication of the final results of this review in the *Federal Register*. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.*, within 90 days of publication).

Cash Deposit Requirements

Pursuant to section 751(a)(2)(C) of the Act, upon issuance of the final results, Commerce also intends to instruct CBP to collect cash deposits of estimated countervailing duties for each of the companies listed above on shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this administrative review, except, where the rate calculated in the final results is zero or *de minimis*, no cash deposit will be required. For all non-reviewed firms, we will instruct CBP to continue to collect cash deposits of estimated countervailing duties at the most recent company-specific or all-others rate applicable to the company, as appropriate. These cash deposit requirements, when imposed, shall remain in effect until further notice.

Disclosure and Public Comment

We will disclose to parties to this proceeding the calculations performed in reaching the preliminary results within five days of the date of publication of these preliminary results.¹⁹ Interested parties may submit written arguments (case briefs) within 30 days of publication of the preliminary results and rebuttal comments (rebuttal briefs) within seven days after the time limit

¹⁹ See 19 CFR 351.224(b).

for filing the case briefs.²⁰ Pursuant to 19 CFR 351.309(d)(2), rebuttal briefs may respond only to issues raised in the case briefs. Parties who submit arguments are requested to submit with the argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.²¹ Note that Commerce has temporarily modified certain of its requirements for serving documents containing business proprietary information, until further notice.²²

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce, within 30 days after the date of publication of this notice.²³ Requests should contain the party's name, address, and telephone number, the number of participants, and a list of the issues to be discussed. Issues addressed during the hearing will be limited to those raised in the briefs.²⁴ If a request for a hearing is made, Commerce intends to hold the hearing at a time and date to be determined.²⁵ Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date.

Parties are reminded that briefs and hearing requests are to be filed electronically using ACCESS and that electronically filed documents must be received successfully in their entirety by 5:00PM Eastern Time on the due date.

Unless the deadline is extended pursuant to section 751(a)(3)(A) of the Act, Commerce will issue the final results of this administrative review, including the results of our analysis of the issues raised by parties in their comments, within 120 days after issuance of these preliminary results.

Notification to Interested Parties

²⁰ See 19 CFR 351.309(c)(1)(ii) and 351.309(d)(1); see also *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period*, 85 FR 41363 (July 10, 2020) (*Temporary Rule*).

²¹ See 19 CFR 351.309(c)(2) and 351.309(d)(2).

²² See *Temporary Rule*.

²³ See 19 CFR 351.310(c).

²⁴ See 19 CFR 351.310(c).

²⁵ See 19 CFR 351.310.

These preliminary results are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.221(b)(4).

Dated: May 27, 2021.

Christian Marsh,

Acting Assistant Secretary

for Enforcement and Compliance.

Appendix

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Period of Review
- IV. Scope of the Order
- V. Subsidies Valuation Information
- VI. No-Shipment Claims and Intent to Rescind
- VII. Non-Selected Rate
- VIII. Analysis of Programs
- IX. Recommendation

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